

Digitized by the Internet Archive
in 2007 with funding from
Microsoft Corporation

SPEECH

OF THE

HON. DANIEL WEBSTER,

ON

THE SUB-TREASURY BILL.

DELIVERED

IN THE SENATE OF THE UNITED STATES,

JANUARY 31, 1838.



WASHINGTON:

PRINTED BY GALES AND SEATON.

1838.

Sir, it never can escape. The common sense of all men pronounces that the Government is, and ought to be, and must be, answerable for the regulation of the currency of the country; that it ought to abide, and must abide, the peltings of the storm of imputation, so long as it turns its back upon this momentous question, and seeks to shelter itself in the safes and the vaults, the cells and the caverns, of a sub-Treasury system.

But of all Governments that ever existed, the present administration has least excuse for withdrawing its care from the currency, or shrinking from its just responsibility in regard to it.

Its predecessor, in whose footsteps it professes to tread, has interfered, fatally interfered, with that subject. That interference was, and has been, the productive cause of our disasters. Did the administration disclaim power over the currency in 1833, when it removed the deposits? And what meant all its subsequent transactions, all its professions, and all its efforts, for that better currency which it promised, if in truth it did not hold itself responsible to the people of the United States, for a good currency? From the very first year of the late administration to the last, there was hardly a session, if there was a single session, in which this duty of Government was not acknowledged, promises of high improvement put forth, or loud claims of merit asserted, for benefits already conferred. It professed to erect the great temple of its glory on improvements of the currency. And, sir, the better currency which has been so long promised, was not a currency of the Government, but a currency for the people. It was not for the use of revenue merely, but for the use of the whole commerce, trade, and business of the nation. And now, when the whole industry, business, and labor of the country, is harassed and distressed, by the evils brought upon us by its own interference, Government talks with all possible coolness, of the great advantage it will be to adopt a system, which shall shield itself from a thick-falling shower of imputations. It disclaims, it renounces, it abandons its duties, and then seeks an inglorious shelter in its professed want of power to relieve the people.

We demand the better currency; we insist on the fulfilment of the high and flattering promises; and surely there never was a Government on the face of the earth, that could, with less propriety, resist the demand; yet, we see it seek refuge in a bold, cold, and heartless denial of the competency of its own constitutional powers. It falls back from its own undertakings, and flatly contradicts its own pretensions. In my opinion, it can find no refuge, where the public voice will not reach it. There can be no shelter while these times last, into which Government can retreat, wherein it can hide, and screen itself from the loud voice of the country, calling upon it to come forth to fulfil its promises; or, at least, now that these promises are all broken, to perform its duties. The evils of a disordered currency are evils which do not naturally correct or cure themselves. Nor does chance, or good luck, often relieve that community which is suffering under them. They require political remedy; they require provision to be made by Government; they demand the skilful hand of experienced statesmen. Until some just remedy be applied, they are likely to continue, with more or less of aggravation, and no man can tell when or how they will end. It is vain, therefore, quite vain, for Government to hope that it may retreat from this great duty, shield itself under a system no way agreeing either with its powers or its obligations, and thus escape reproaches, by attempting to escape responsibility.

Mr. President, there is fault and failure somewhere. Either the constitution has failed, or its administration fails. The great end of a uniform and

satisfactory regulation of commerce is not answered, because the national currency, an indispensable instrument of that commerce, is not preserved in a sound and uniform state.

Is the fault in the constitution itself? Those who affirm that it is, must show how it was, if that be so, that other administrations, in other times, have been able to give the people abundant satisfaction in relation to the currency. I suppose it will be said, in answer to this, that the constitution has been violated; that it was originally misconstrued; that those who made it did not understand it; and that the sage and more enlightened politicians of our times see deeper, and judge more justly of the constitution, than Washington and Madison. Certain it is that they have more respect for their own sagacity than for all the wisdom of others, and all the experience of the country; or else they find themselves, by their party politics and party commitments, cut off from all ability of administering the constitution according to former successful practice.

Mr. President, when I contemplate the condition of the country; when I behold this utter breaking down of the currency; this wide-spread evil among all the industrious classes; this acknowledged inability of Government to pay its debts legally; this prostration of commerce and manufactures; this shocking derangement of internal exchange, and the general crash of credit and confidence; and when I see that three hundred representatives of the people are here assembled to consult on the public exigency; and that, repudiating the wisdom of our predecessors, and rejecting all the lights of our own experience, nothing is proposed, for our adoption, to meet an emergency of this character, but the bill before us, I confess, sir, the whole scene seems to me to be some strange illusion. I can hardly persuade myself that we are all in our waking senses. It appears like a dream—like some phantasy of the night, that the opening light of the morning usually dispels.

There is so little of apparent relation of means to ends; the measure before us has so little to promise for the relief of existing evils; it is so alien, so outlandish, so abstracted, so remote from the causes which press down all the great public interests, that I really find it difficult to regard as real what is thus around me.

Sir, some of us are strangely in error. The difference between us is so wide; the views which we take of public affairs so opposite; our opinions, both of the causes of present evils, and their appropriate remedies, so totally unlike, that one side or the other must be under the influence of some strange delusion. Darkness, thick darkness, hangs either over the supporters of this measure, or over its opponents. Time and the public judgment, I trust, will sooner or later disperse these mists, and men and measures will be seen in their true character. I think, indeed, that I see already some lifting up of the fog.

The honorable member from New York has said that we have now, already existing, a mode of conducting the fiscal affairs of the country, substantially such as that will be which this bill will establish. We may judge, therefore, he says, of the future by the present. A sub-Treasury system, in fact, he contends is now in operation; and he hopes the country sees so much good in it, as to be willing to make it permanent and perpetual.

The present system, he insists, must at least be admitted not to have obstructed or impeded the beneficial action of the immense resources of the country. Sir, this seems to me a most extraordinary declaration. The operation and energy of the resources of the country not obstructed! The business of the community not impeded! Why, sir, this can only be true, upon the sup-

position that present evils are no way attributable to the policy of Government; that they all spring from some extraneous and independent cause. If the honorable member means that the disasters which have fallen upon us arise from causes which Government cannot control, such as overtrading or speculation, and that Government is answerable for nothing, I can understand him, though I do not at all concur with him. But that the resources of the country are not now in a state of great depression and stagnation, is what I had supposed none would assert. Sir, what are the resources of the country? The first of all, doubtless, is labor. Does this meet no impediment? Does labor find itself rewarded, as heretofore, by high prices, paid in good money? The whole mass of industry employed in commerce and manufactures, does it meet with no obstruction, or hinderance, or discouragement? And commerce and manufactures, in the aggregate, embracing capital as well as labor, are they, too, in a high career of success? Is nothing of impediment or obstruction found connected with their present condition?

Again, sir; among our American resources, from the very first origin of this Government, credit and confidence have held a high and foremost rank. We owe more to credit and to commercial confidence than any nation which ever existed; and ten times more than any nation, except England. Credit and confidence have been the life of our system, and powerfully productive causes of all our prosperity. They have covered the seas with our commerce, replenished the Treasury, paid off the national debt, excited and stimulated the manufacturing industry, encouraged labor to put forth the whole strength of its sinews, felled the forests, and multiplied our numbers, and augmented the national wealth, so far beyond all example as to leave us a phenomenon for older nations to look at with wonder. And this credit, and this confidence, are they now no way obstructed or impeded? Are they now acting with their usual efficiency, and their usual success, on the concerns of society?

The honorable member refers to the exchanges. No doubt, sir, the rate of foreign exchange has nothing in it alarming; nor has it had, if our domestic concerns had been in a proper condition. But that the internal exchanges are in a healthful condition, as the honorable member alleges, is what I can by no means admit. I look upon the derangement of the internal exchanges as the precise form in which existing evils most manifestly exhibit themselves. Why, sir, look at the rates between large cities in the neighborhood of each other. Exchange between Boston and New York, and also between Philadelphia and New York, is $1\frac{1}{2}$ a 2 per cent. This could never happen but from a deranged currency; and can this be called a healthful state of domestic exchange?

I understand that the cotton crop has done much towards equalising exchange between New Orleans and New York; and yet I have seen, not many days since, that in other places of the South, I believe Mobile, exchange on New York was at a premium of five to ten per cent.

The manufacturers of the North can say how they have found, and how they now find, the facilities of exchange. I do not mean, exclusively, or principally, the large manufacturers of cotton and woollen fabrics; but the smaller manufacturers, men who, while they employ many others, still bestow their own labor on their own capital; the shop manufacturers, such manufacturers as abound in New Jersey, Connecticut, and other parts of the North. I would ask the gentlemen from these States how these neighbors of theirs find exchanges, and the means of remittance, between them and their correspondents and purchasers in the South. The carriage makers, the furniture makers, the hatters, the dealers in leather, in all its branches, the

dealers in domestic hardware ; I should like to hear the results of the experience of all these persons, on the state of the internal exchanges, as well as the general question, whether the industry of the country has encountered any obstacle, in the present state of the currency.

Mr. President, the honorable member from New York stated correctly, that this bill has two leading objects.

The first is, a separation of the revenue, and the funds of the Government, from all connexion with the concerns of individuals, and of corporations ; and especially a separation of these funds from all connexion with any banks.

The second is, a gradual change in our system of currency, to be carried on till we can accomplish the object of an exclusive specie or metallic circulation, at least in all payments to Government, and all disbursements by Government.

Now, sir, I am against both these propositions, ends as well as means.

I am against this separation of Government and people, as unnatural, selfish, and an abandonment of the most important political duties.

I am for having but one currency, and that a good one, both for the people and the Government.

I am opposed to the doctrines of the message of September, and to every thing which grows out of those doctrines. I feel as if I were on some other sphere, as if I were not home, as if this could not be America, when I see schemes of public policy proposed, having for their object the convenience of Government only, and leaving the people to shift for themselves, in a matter which naturally and necessarily belongs, and in every other country is admitted to belong, to the solemn obligations, and the undoubted power of Government. Is it America, where the Government, and men in the Government, are to be better off than the people ? Is it America, where Government is to shut its eyes, and its ears, to public complaint, and to take care only of itself ? Is it America, Mr. President, is it your country, and my country, in which, at a time of great public distress, when all eyes are turned to Congress, and when most men feel that substantial and practical relief can come only from Congress, that Congress, nevertheless, has nothing on earth to propose, but bolts and bars, safes and vaults, cells and hiding-places, for the better security of its own money, and nothing on earth, not a beneficent law, not even a kind word, for the people themselves ? Is it our country, in which the interest of Government has reached such an ascendancy over the interest of the people, in the estimate of the representatives of the people ? Has this, sir, come to be the state of things, in the old thirteen, with the new thirteen added to them ? For one, I confess, I know not what is American, in policy, in public interest, or in public feeling, if these measures be deemed American.

The first general aspect, or feature of the bill, the character written broadly on its front, is this abandonment of all concern for the general currency of the country. This is enough for me. It secures my opposition to the bill in all stages. Sir, this bill ought to have had a preamble. It ought to have been introduced by a recital, setting forth that, whereas the currency of the country has become totally deranged ; and whereas it has heretofore been thought the bounden duty of this Government to take proper care of that great branch of the national interest ; and whereas that opinion is erroneous, obsolete, and heretical ; and whereas, according to the true reading of the constitution, the great duty of this Government, and its exclusive duty, so far as currency is concerned, is to take care of itself ; and whereas, if Government can but secure a sound currency for itself, the people may very

well be left to such a currency as the States, or the banks, or their own good fortune, or bad fortune, may give them ; therefore be it enacted, &c. &c. &c.

The very first provision of the bill is in keeping with its general objects, and general character. It abandons all the sentiments of civilized mankind, on the subject of credit and confidence, and carries us back to the dark ages. The first that we hear, is of safes, and vaults, and cells, and cloisters. From an intellectual, it goes back to a physical age. From commerce, and credit, it returns to hoarding, and hiding ; from confidence, and trust, it retreats to bolts, and bars, to locks with double keys, and to pains and penalties for touching hidden treasure. It is a law for the times of the feudal system ; or a law for the heads and governors of the piratical States of Barbary. It is a measure fit for times when there is no security in law, no value in commerce, no active industry among mankind. Here, it is altogether out of time, and out of place. It has no sympathy with the general sentiments of this age, still less has it any congeniality with our American character, any relish of our hitherto approved and successful policy, or any agreement or conformity with the general feeling of the country.

The gentleman, in stating the provisions of the first section, proceeds to say, that it is strange, that none of our laws, heretofore, has ever attempted to give to the Treasury of the United States a "local habitation." Hence it is the object of this first section of the bill to provide and define such local habitation. A local habitation for the Treasury of a great commercial country, in the nineteenth century ! Why, sir, what is the Treasury ? The existing laws call it a "Department." They say, there shall be a Department, with various officers, and a proper assignment of their duties and functions ; and that this shall be the Department of the Treasury. It is, thus, an organized part of Government ; an important and indispensable branch of the general administration, conducting the fiscal affairs of the country, and controlling subordinate agents.

But this bill does away with all legal and political ideas, and brings this important Department down to a thing of bricks and mortar. It enacts that certain rooms, in the new building, with their safes and vaults, shall constitute the Treasury of the United States ! And this adoption of new and strange notions, and this abandonment of all old ideas, is all for the purpose of accomplishing the great object of separating the affairs of the Government from the affairs of the country. The nature of the means shows the nature of the object ; both are novel, strange, untried, and unheard of. The scheme, sir, finds no precedent, either in our own history, or the history of any other respectable nation. It is admitted to be new, original, experimental ; and yet its adoption is urged upon us as confidently as if it had come down from our ancestors, and had been the cherished policy of the country in all past times.

I am against it, altogether. I look not to see whether the means be adapted to the end. That end itself is what I oppose, and I oppose all the means leading to it. I oppose all attempts to make a separate currency for the Government, because I insist upon it, and shall insist upon it, until I see and feel the pillars of the constitution falling around me, and upon my head, that it is the duty of this Government to provide a good currency for the country, and for the people, as well as for itself.

I put it to gentlemen to say, whether currency be not a part of commerce, or an indispensable agent of commerce ; and something, therefore, which this Government is bound to regulate, and to take care of ? Gentlemen will not meet the argument. They shun the question. We demand that the just power of the constitution shall be administered. We assert that Congress has

power to regulate commerce, and currency as a part of commerce ; we insist that the public exigency, at the present moment, calls loudly for the exercise of this power,—and what do they do ? They labor to convince us that the Government itself can get on very well without providing a currency for the people, and they betake themselves, therefore, to the sub-Treasury system, its unsailable walls, its iron chests, and doubly-secured doors. And having satisfied themselves that, in this way, Government may be kept going, they are satisfied. A sound currency for Government, a safe currency for revenue ; these are the only things promised, the only things proposed. But these are not the old promise. The country, the country itself, and the whole people, were promised a better currency for their own use ; a better general currency ; a better currency for all the purposes of trade and business. This was the promise solemnly given by the Government in 1833, and so often afterwards renewed, through all successive years, down to May last. We heard nothing, all that time, of a separation between Government and people. No, sir, not a word. Both were to have an improved currency. Sir, I did not believe a word of all this ; I thought it all mere pretence or empty boasting. I had no faith in these promises, not a particle. But the honorable member from New York was confident ; confident then as he is now ; confident of the success of the first scheme, which was plausible, as he is confident of this, which is strange, alien, and repulsive in its whole aspect. He was then as sure of being able to furnish a currency for the country, as he is now of furnishing a currency for Government. He told us, at that time, that he believed the system adopted by the late administration was fully competent to its object. He felt no alarm for the result. He believed all the President had done, from the removal of the deposits downwards, was constitutional and legal ; and he was determined to place himself by the side of the President, and desired only to stand or fall in the estimation of his constituents, as they should determine in the result ; and that result has now come.

As I have said, sir, I had no faith at all in all the promises of the administration, made before and at that time, and constantly repeated. I felt no confidence whatever in the whole project ; I deemed it rash, headstrong, and presumptuous, to the last degree. And at the risk of the charge of some offence against good taste, I will read a paragraph from some remarks of mine, in February, 1834, which sufficiently shows what my opinion and my apprehensions then were.

“ I have already endeavored to warn the country against irredeemable paper ; against bank paper, when banks do not pay specie for their own notes ; against that miserable, abominable, and fraudulent policy, which attempts to give value to any paper of any bank, one single moment longer than such paper is redeemable on demand in gold and silver. And I wish, most solemnly and earnestly, to repeat that warning. *I see danger of that state of things ahead.* I SEE IMMINENT DANGER THAT MORE OR FEWER OF THE STATE BANKS WILL STOP SPECIE PAYMENT. The late measure of the Secretary, and the infatuation with which it seems to be supported, tend directly and strongly to that result. Under pretence, then, of a design to return to a currency which shall be all specie, we are likely to have a currency in which there shall be no specie at all. *We are in danger of being overwhelmed with irredeemable paper—mere paper, representing not gold nor silver ; no, sir, representing nothing but* BROKEN PROMISES, BAD FAITH, BANKRUPT CORPORATIONS, CHEATED CREDITORS, AND A RUINED PEOPLE !”

And now, sir, we see the upshot of the Experiment. We see around us

bankrupt corporations, and broken promises ; but we see no promises more really and emphatically broken, than all those promises of the administration, which gave us assurance of a better currency. These promises, now broken, notoriously and openly broken, if they cannot be performed, ought at least to be acknowledged. The Government ought not, in common fairness and common honesty, to deny its own responsibility, seek to escape from the demands of the people, and to hide itself out of the way, and beyond the reach of the process of public opinion, by retreating into this sub-Treasury system. Let it at least come forth ; let it bear a part of honesty and candor ; let it confess its promises, if it cannot perform them ; and, above all, now, even now, at this late hour, let it renounce schemes and projects, the inventions of presumption, and the resorts of desperation, and let it address itself, in all good faith, to the great work of restoring the currency by approved and constitutional means.

But, sir, so far is any such course from all probability of being adopted, so little ground of hope is there that this sub-Treasury system will be abandoned, that the honorable member from New York has contended and argued in his place, that the public opinion is more favorable to this measure now proposed, than to any other which has been suggested. He claims for it the character of a favorite with the people. He makes out this sub-Treasury plan to be quite high in popular estimation. Certainly, sir, if the honorable member thinks so, he and I see with different eyes, hear with different ears, or gather the means of opinion from very different sources. But what is the gentleman's argument ? It is this : The two Houses of Congress, he says, reflect the wishes and opinions of the people ; and with the two Houses of Congress, this system, he supposes, is more acceptable than any other.

Now, sir, with the utmost respect for the two Houses of Congress, and all their members, I must be permitted to express a doubt, and indeed a good deal more than a doubt, whether, on this subject, and at the present moment, the two Houses do exactly reflect the opinions and wishes of the people. I should not have adverted to the state of opinion here, compared with the state of public opinion in the country, if the gentleman had not founded an argument, on the supposed disposition of the two Houses, and on the fact, that they truly set forth the public opinion. But since he has brought forward such an argument, it is proper to examine its foundation.

In a general sense, undoubtedly, sir, the members of the two Houses must be understood to represent the sentiments of their constituents, the people of the United States. Their acts bind them, as their representatives, and they must be considered, in legal understanding, as conforming to the will of their constituents. But, owing to the manner of our organization, and to the periods and times of election, it certainly may happen, that at a particular moment, and on a particular subject, opinion out doors may be one way, while opinion here is another. And how is it now, if we may judge by the usual indications ? Does the gentlemen hope for no vote, in this body, for his bill, but such as shall be, in his opinion, in strict accordance with the wishes, as generally understood, and most recently expressed, in the State from which the vote shall come ?

I shall be exceedingly sorry, sir, for instance, to see a vote from Maine given for this bill. I hope I may not. But if there should be such a vote, can the gentleman say that he believes, in his conscience, it will express the wishes of a majority of the people of that State ? And so of New Jersey, and one, if not more States in the West. I am quite sure that gentlemen who may give their votes, will discharge their duty, according to their own

enlightened judgments, and they are no way accountable to me for the manner in which they discharge it; but when the honorable member from New York contends that this body now accurately represents the public opinion, on the sub-Treasury system, we must look at the facts. And with all possible respect for the honorable member, I must even take leave to ask him, whether, in his judgment, he, himself, is truly reflecting the opinions and wishes of a majority of the people of New York, while he is proposing and supporting this bill? Where does he find evidence, of the favor of the people of that State, towards this measure? Does he find it in the city? In the country? In the recently elected House of Assembly? In the recently elected members of the Senate? Can he name a place—can he lay a *venue*, for the popularity of this measure, in the whole State of New York? Between Montauk point and Cattaraugus, and between the mountains of Pennsylvania and the north end of lake Champlain, can he any where put his finger on the map and say, here is a spot where the sub-Treasury is popular? He may find places, no doubt, though they are somewhat scarce, where his friends have been able to maintain their ascendancy, *notwithstanding* the unpopularity of the measure; but can he find one place, one spot of any extent, in which this measure of relief is the choice, the favorite, of a majority of the people?

Mr. President, the honorable member has long been in public life, and has witnessed, often, the changes and fluctuations of political parties and political opinions. And I will ask him what he thinks of the hurricane which swept over New York in the first week of last November. Did he ever know the like? Has he before ever been called on to withstand such a whirlwind? Or had he previously any suspicion that such an outbreak in the political elements was at hand? I am persuaded, sir, that he feared such a thing much less than I hoped for it; and my own hopes, although I had hopes, and strong hopes, I must confess, fell far short of the actual result. And to me, Mr. President, it seems perfectly plain, that the cause of this astonishing change in public opinion is to be found, mainly, in the message of September, and the sub-Treasury bill of the last session. The message, with its anti-social, anti-commercial, anti-popular doctrines and dogmas—the message which set at naught all our own manners and usages, rejected all the teachings of experience, threatened the State institutions, and, anxious only to take good care of Government, abandoned the people to their fate—the message—the message, it was, that did the great work in New York, and elsewhere.

The message was that cave of Eolus, out of which the careering winds issued:

“Una Euruse notusque ruunt, creberque procellis
“Africus”——

—— mingling seas and skies, dispersing the most powerful political combinations, and scattering their fragments on the rocks and shores. I might quote the poet further, sir,

“et vastos volvunt ad litora fluctus.”

The political deep seemed agitated, to the very bottom, and its heaving bosom moved onward and forward the “*vastos fluctus*,” in nautical phrase, the big rollers of public opinion.

The honorable member may say, or may think, that all this was but the result of a transient impulse, a feverish ebullition, a sudden surprise, or a change superficial, and apparent only, not deep and real. Sir, I cannot say, but I must confess that if the movement in New York, last fall, was not real,

it looked more like reality, than any fanciful exhibition which I ever saw. If the people were not in earnest, they certainly had a very sober and earnest way of being in jest.

And, now, sir, can the honorable member, can any man, say, that in regard to this measure, even the House of Representatives is certain, at this moment, truly to reflect the public judgment? Though nearer to the people than ourselves, and more frequently chosen, yet it is known that the present members were elected, nearly all of them, before the appearance of the message of September. And will the honorable member allow me to ask, whether if a new election of members of Congress were to take place in his own State, to-morrow, and the newly elected members should take their seats immediately, he should entertain the slightest expectation of the passage of this bill through that House?

Mr. President, in 1834, the honorable member presented to the Senate, resolutions of the Legislature of New York, approving the previous course of the administration in relation to the currency. He then urged strongly, but none too strongly, the weight due to those resolutions, because, he argued, they expressed the undoubted sense of the people, as well as that of the Legislature. He said there was not, at that time, a single member in the popular branch of the Legislature, who was not in favor of those resolutions, either from the cities of Hudson, Albany, Troy, Schenectady, Utica, or an almost endless number of incorporated trading towns and villages, or the great city of New York itself, which he justly calls the commercial emporium of the country; all these cities and villages being surrounded, as he most justly said, by an intelligent population; and cities, villages, and country, altogether comprising near two millions of souls. All this was very well. It was true. The facts were with the honorable member. And although I most exceedingly regretted and deplored that it was so, I could not deny it. And he was entitled to enjoy, and did enjoy, the whole benefit of this respectable support. But, sir, how stands the matter now? What say these two millions of souls to the sub-Treasury? In the first place, what says the city of New York, that great commercial emporium, worthy the gentleman's commendation in 1834, and worthy of his commendation, and my commendation, and all commendation, at all times? What sentiments, what opinions, what feelings, are proclaimed by the thousands of her merchants, traders, manufacturers, and laborers? What is the united shout of all the voices of all her classes? What is it, but that you will put down this new-fangled sub-Treasury system, alike alien to their interests and their feelings, at once, and for ever? What is it, but that in mercy to the mercantile interest, the trading interest, the shipping interest, the manufacturing interest, the laboring class, and all classes, you will give up useless and pernicious political schemes and projects, and return to the plain, straight course of wise and wholesome legislation? The sentiments of the city cannot be misunderstood. A thousand pens, and ten thousand tongues, and a spirited press, make them all known. If we have not already yet heard enough, we shall hear more. Embarrassed, vexed, pressed, and distressed, as are her citizens at this moment, yet their resolution is not shaken, their spirit is not broken; and, depend upon it, they will not see their commerce, their business, their prosperity, and their happiness, all sacrificed to preposterous schemes and political empiricism, without another, and a yet more vigorous, struggle. And Hudson, and Albany, and Troy, and Schenectady, and Utica—pray, sir, why may not the citizens of these cities have as much weight with the honorable member now, as they justly had in 1834? And does he, can he, doubt of

what they think of his bill? Ay, sir, and Rochester, and Batavia, and Buffalo, and the entire western district of the State, does the honorable member suppose that, in the whole of it, he would be able, by careful search, to do more than to find, now and then, so rare a bird, as a single approver of this system?

Mr. President, if this system must come, let it come. If we must bow to it, why, then, put it upon us. Do it. Do it by the power of Congress and the President. Congress and the President have the power. But spare us, I beseech you, spare the people from the imputation, that it is done under clear proof and evidence of their own approbation. Let it not be said it is their choice. Save them, in all mercy, from that reproach.

Sir, I think there is a revolution in public opinion now going on, whatever may be the opinion of the member from New York, or others. I think the fall elections prove this, and that other more recent events confirm it. I think it is a revolt against the absolute dictation of party, a revolt against coercion, on the public judgment; and especially a revolt against the adoption of new mischievous expedients, on questions of deep public interest; a revolt against the rash and unbridled spirit of change; a revolution, in short, against further revolution. I hope, most sincerely, that this revolution may go on; not, sir, for the sake of men, but for the sake of measures, and for the sake of the country. I wish it to proceed till the whole country, with an imperative unity of voice, shall call back Congress to the true policy of the Government.

The honorable member from New York is of opinion, sir, that there are only three courses open to us. We must, he urges, either adopt this measure, or return to a system of deposits with the State banks, or establish a national bank. Now, sir, suppose this to be as the gentleman states, then, I say, that either of the others is better than this. I would prefer doing almost any thing, and I would vastly prefer doing nothing, to taking this bill.

I need not conceal my own opinions. I am in favor of a national institution, with such provisions and securities as Congress may think proper, to guard against danger and against abuse. But the honorable member disposes of this, at once, by the declaration, that he himself can never consent to a bank, being utterly opposed to it, both on constitutional grounds and grounds of expediency. The gentleman's opinion, sir, always respected, is certainly of great weight and importance, from the public situation he occupies. But although these are his opinions, is it certain that a majority of the people of the country agree with him in this particular? I think not. I verily believe a majority of the people of the United States are now of the opinion, that a national bank, properly constituted, limited, and guarded, is both constitutional and expedient, and ought now to be established. So far as I can learn, three-fourths of the Western people are for it. Their representatives here can form a better judgment; but such is my opinion, upon the best information which I can obtain. The South may be more divided, or may be against a national institution; but looking, again, to the centre, the North and the East, and comprehending the whole in one view, I believe the prevalent sentiment is such as I have stated.

At the last session great pains were taken to obtain a vote, of this and the other House, against a bank; for the obvious purpose of placing such an institution out of the list of remedies, and so reconciling the people to the sub-Treasury scheme. Well, sir, and did those votes produce any effect? None at all. The people did not, and do not, care a rush for them. I never have seen or heard a single man, who paid the slightest respect to those

votes of ours. The honorable member, to-day, opposed as he is to a bank, has not even alluded to them. So entirely vain is it, sir, in this country, to attempt to forestall, commit, or coerce the public judgment. All those resolutions fell perfectly dead on the tables of the two Houses. We may resolve what we please, and resolve it when we please; but if the people do not like it, at their own good pleasure they will rescind it; and they are not likely to continue their approbation long to any system of measures, however plausible, which terminates in deep disappointment of all their hopes for their own prosperity.

I have said, sir, that, in preference to this bill, I would try some modification of the State bank system; and I will cheerfully do so, although every body knows, that I always opposed that system. Still, I think it less objectionable than this. Mr. President, in my opinion, the real source of the evil lies in the tone, and spirit, and general feeling, which have pervaded the administration for some years past. I verily believe the origin is there. That spirit, I fully believe, has been deeply anti-commercial, and of late decidedly unfriendly to the State institutions. Do the leading presses in favor of the administration speak its own sentiments? If you think they do, then look at the language and spirit of those presses. Do they not manifest an unceasing and bitter hostility to the mercantile classes, and to the institutions of the States? I certainly never supposed the State banks fit agents for furnishing or regulating a national currency; but I have thought them useful in their proper places. At any rate, the States had power to establish them, and have established them, and we have no right to endeavor to destroy them. How is it, then, that generally, every leading press, which supports the administration, joins in the general cry against these institutions of the States? How is it, if it be not that a spirit hostile to these institutions has come to pervade the administration itself?

In my opinion, the State banks, on every ground, demand other treatment; and the interest of the country requires that they should receive other treatment. The Government has used them, and why should it now not only desert, but abuse them? That some of the selected banks have behaved very unworthily, is no doubt true. The best behaviour is not always to be expected from pets. But that the banks, generally, deserved this unrestrained warfare upon them, at the hands of Government, I cannot believe. It appears to me to be both ungrateful and unjust.

The banks, sir, are now making an effort, which I hope may be successful, to resume specie payments. The process of resumption works, and must work, with severity upon the country. Yet I most earnestly hope the banks may be able to accomplish the object. But in all this effort, they get no aid from Government, no succor from Government, not even a kind word from Government. They get nothing but denunciation and abuse. They work alone, and therefore the attainment of the end is the more difficult. They hope to reach that end only, or mainly, by reduction and curtailment. If, by these means, payment in specie can be resumed and maintained, the result will prove the existence of great solidity, both of the banks and of the mercantile classes. The Bank of England did not accomplish resumption by curtailment alone. She had the direct aid of Government. And the banks of the United States, in 1816, did not rely on curtailment alone. They had the aid of the then new-created Bank of the United States, and all the countenance, assistance, and friendly support, which the Government could give them. Still, I would not discourage the efforts of the banks. I trust they will succeed, and that they will resume specie payments at the ear-

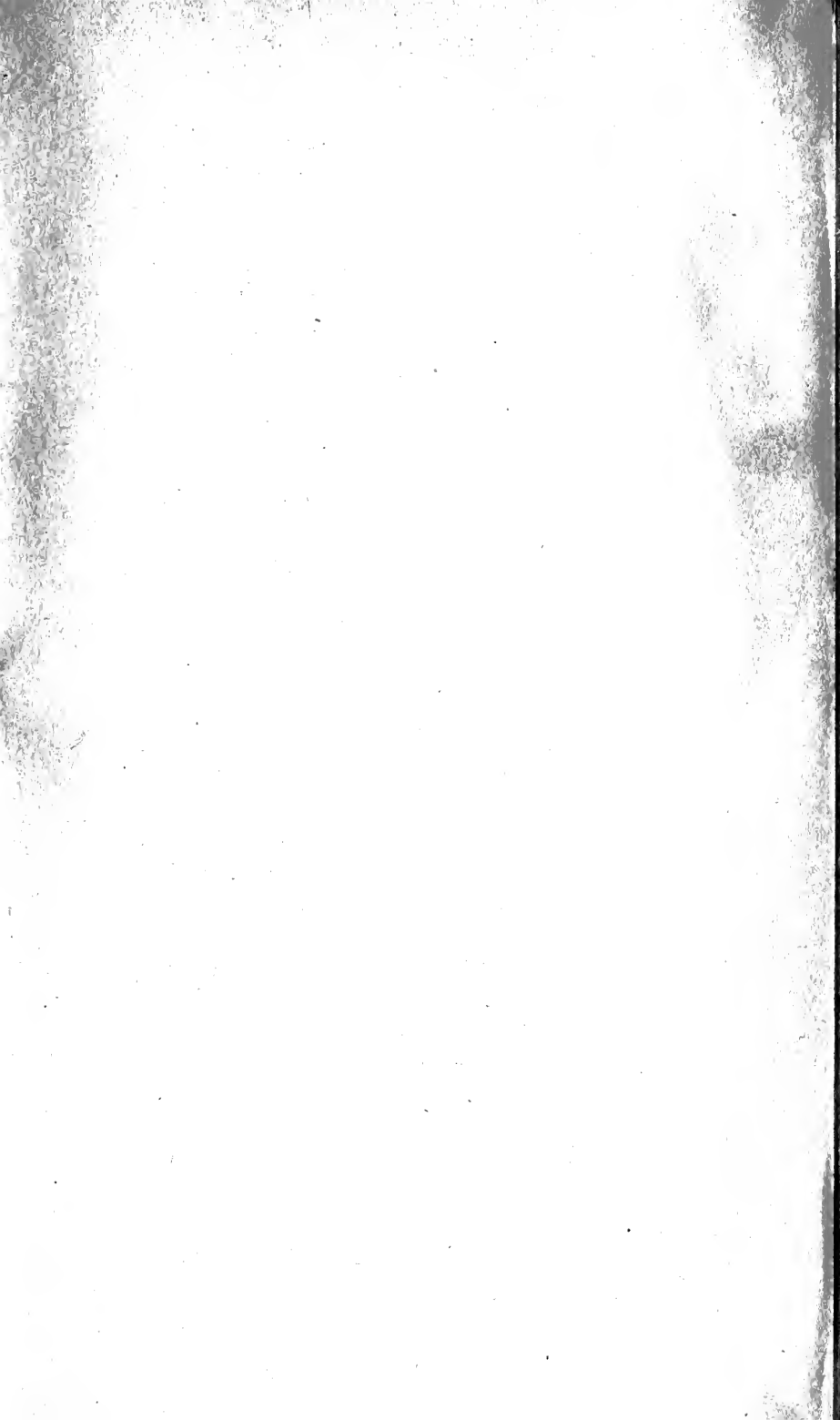
liest practicable moment; but it is, at the same time, my full conviction, that by another and a better course of public policy, the Government might most materially assist the banks to bring about resumption; and that by Government aid, it might be brought about with infinitely less of public inconvenience and individual distress.

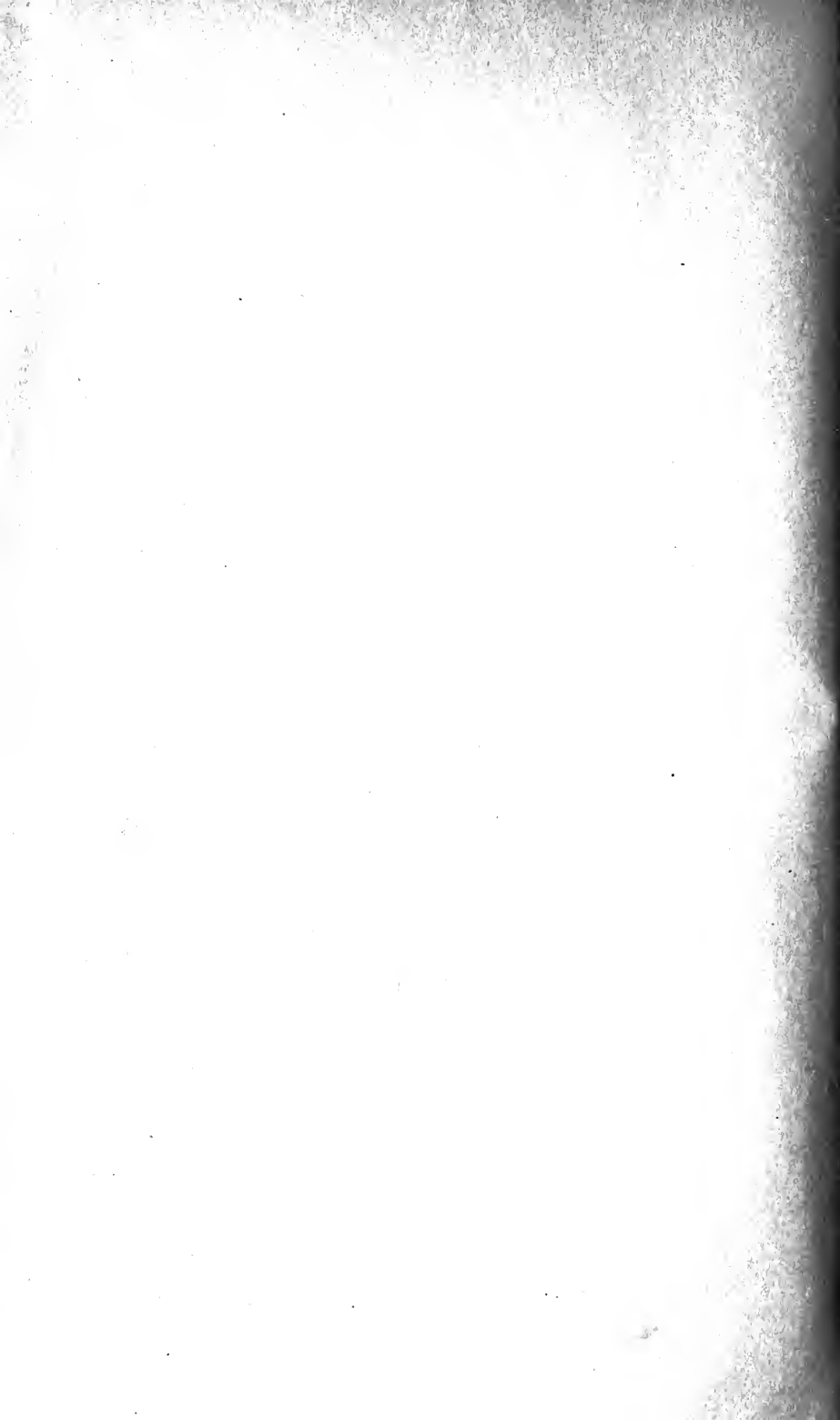
For an easy resumption of specie payments, there is mainly wanted a revival of trust, the restoration of confidence, and a harmonious action, between the Government and the moneyed institutions of the country. But instead of efforts to inspire trust, and create confidence, we see and hear nothing but denunciation; instead of harmonious action, we find nothing but unrelenting hostility.

Mr. President, you and I were in Congress, in 1816, during the time of the suspension of specie payments by the banks. What was the spirit of the Government at that time, sir? Was it hostile, acrimonious, belligerent towards the State institutions? Did it look on them only to frown? Did it touch them only to distress? Did it put them all under the scourge? You know, sir, it was far otherwise. You know, that the Secretary of that day entered into friendly correspondence with them, and assured them that he would second their efforts for resumption, by all the means in his power. You know, sir, that in fact, he did render most essential aid. And do you see, sir, any similar effort now? Do you behold, in the bill before us, any thing of the spirit or the policy of Mr. Madison, on an occasion very like the present? Mr. Madison was a man of such subdued self-respect, that he was willing to yield to experience and to the opinion of his country; a man, too, of so much wisdom and true patriotism, that nothing was allowed to stand between him and his clear perception of the public good. Do you see, sir, any thing of this spirit—of the wisdom, of the mild, and healing, and restoring policy, of Mr. Madison, in this measure? Another illustrious man, now numbered with the dead, was then with us, and was acting an important part, in the councils of the country. I mean Mr. Lowndes; a man not deficient in force and genius, but still more distinguished for that large and comprehensive view of things which is more necessary to make great men, and is also much rarer, than mere positive talent—and for an impartial, well-balanced judgment, which kept him free from prejudice and error, and which gave great and just influence to all his opinions. Do you see, sir, any thing of the spirit, the temper, the cool judgment, or the long-sighted policy of Mr. Lowndes, in all that is now before us? And Mr. Crawford, then at the head of the Treasury, arduously striving to restore the finances, to re-establish both public and private credit, and to place the currency once more upon its safe and proper foundation; do you see, sir, the marks of Mr. Crawford's hands in the measure now presented for our approbation?

Mr. President, I have little to say of the subordinate provisions of this bill, of the receivers general, or of the dangerous power given to the Secretary, of investing the public money in State stocks of his own selection. My opposition to the bill, is to the whole of it. It is general, uncompromising, and decided. I oppose all its ends, objects, and purposes; I oppose all its means, its inventions, and its contrivances. I am opposed to the separation of Government and people; I am opposed, now and at all times, to an exclusive metallic currency; I am opposed to the spirit in which the measure originates, and to all and every emanation and ebullition of that spirit. I solemnly declare, that in thus studying our own safety, and renouncing all care over the general currency, we are, in my opinion, abandoning one of the plainest and most important of our constitutional duties. If, sir, we

were, at this moment, at war with a powerful enemy, and if his fleets and armies were now ravaging our shores, and it were proposed in Congress to take care of ourselves, to defend the Capitol, and abandon the country to its fate, it would be, certainly, a more striking, a more flagrant and daring, but in my judgment not a more clear and manifest dereliction of duty, than we commit in this open and professed abandonment of our constitutional power and constitutional duty, over the great interest of the national currency. I mean to maintain that constitutional power, and that constitutional duty, to the last. It shall not be with my consent, that our ancient policy shall be overturned. It shall not be with my consent, that the country shall be plunged, further and further, into the unfathomed depths of new expedients. It shall not be without a voice of remonstrance from me, that one great and important purpose for which this Government was framed, shall now be utterly surrendered and abandoned forever.







RETURN CIRCULATION DEPARTMENT
TO → 202 Main Library

LOAN PERIOD 1

2

3

HOME USE

4

5

6

ALL BOOKS MAY BE RECALLED AFTER 7 DAYS

Renewals and Recharges may be made 4 days prior to the due date.

Books may be Renewed by calling 642-3405

DUE AS STAMPED BELOW

AUG 2 1994

AUG 1 1994

AUTO DISC

AUG 16 '94

U. C. BERKELEY LIBRARIES



C047846874

YC 23975

6323

THE UNIVERSITY OF CALIFORNIA LIBRARY

